

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
01-010

2. STATE
ALASKA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
October 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1931 of the Social Security Act

Section 1902r(2) of the Social Security Act (P+I)

7. FEDERAL BUDGET IMPACT:

a. FFY 02

\$0 \$283,800

b. FFY 03

\$0 \$298,314

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 14 to ATTACHMENT 2.6-A, Pages 1-4
Supplement 8a to Attachment 2.6-A, Pages 1-3
Supplement 8b to Attachment 2.6-B, Pages 1-2
(P+I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 14 to ATTACHMENT 2.6-A, Pages 1-3
Supplement 8a to Attachment 2.6-A, Pages 1-2
Supplement 8b to Attachment 2.6-B, Pages 1-2
(P+I)

10. SUBJECT OF AMENDMENT:

Adopting less restrictive eligibility policies for Section 1931 and related eligibility groups.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Does not wish to comment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Jon Murood for Bob Labbe

13. TYPED NAME:

Bob Labbe

14. TITLE:

Director, Division of Medical Assistance

15. DATE SUBMITTED:

December 27, 2001

16. RETURN TO:

Division of Medical Assistance

P.O. Box 110660

Juneau, AK 99811-0660

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

~~JAN 2 2002~~ DEC 27 2001

18. DATE APPROVED:

FEB 12 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

OCT 1 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Christine Ruba due

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR

23. REMARKS:

DIVISION OF MEDICAID AND STATE UPDATING

P+I changes approved by the state on 1-28-02.

P+I changes authorized by the state on 1-30-02

JAN 28 2002

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

☒ Pregnant women with no other eligible children.

☒ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocation or technical training.

☐ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, without modification.

☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

☐ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

☒ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

The agency applies income standards increased annually each January 1 by the percentage increase in the CPI-U.

☐ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

☒ The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

Less Restrictive Income Standards:

- a. Either \$150 plus 33 percent of all earned income, or \$90 plus \$30 and 1/3 (if applicable) as provided in the AFDC State plan, whichever is greater. This applies to all recipients without regard to duration of the disregard

TN No. 01-010 Approval Date _____ Effective Date _____

Supersedes TN No 99-004

(applicants still receive the \$90 disregard as provided under the AFDC state plan).

- b. Diversion payments made under Alaska Statute 47.27.026 are exempt as income in both the 185% gross income test and the final income eligibility determination.
- c. Charitable contributions are exempt from countable income up to \$300 per calendar quarter.
- d. The earned income of a child who is enrolled at least half time in secondary school is exempt in both the 185% gross income test and the final eligibility determination.
- e. Non-recurring lump sum payments are exempt as income, however, they remain a resource if retained.
- f. Educational income used for educational purposes is exempt. Unless exempt under other Federal statutes, all other educational income is prorated over the period of intended use or counted as income in the month received, whichever is to the individual's advantage.
- g. Beginning November 1, 2001, child support payments made by a parent for or on behalf of a child living in a separate household are deducted from the countable income of that parent's household.
- h. Dividend and benefit payments received from the Alaska Permanent Fund Dividend Program are exempt from countable income.

Less Restrictive Resource Standards

- a. Resource standard is \$2,000 per household, \$3,000 for households that include an adult age 60 or older.
- b. When determining countable resources, the total value of a motor vehicle is disregarded if the motor vehicle is used for family transportation necessary to meet basic needs, including obtaining food, medical care, other essentials, or for transportation to or from school, work, or training. The total value of a motor vehicle is also disregarded if necessary when

TN No. 01-010 Approval Date _____ Effective Date _____

Supersedes TN No 99-004

the vehicle is used as the family's home, to transport a disabled family member, to produce self-employment income, or for a family member to participate in a work activity approved by the Alaska Division of Public Assistance. If there are no vehicles owned that are used for the purposes stated above, the first \$1500 in equity of one motor vehicle is excluded as a resource.

- c. Dividend and benefit payments received from the Alaska Permanent Fund Dividend Program are excluded from consideration as resources.
- d. Real property is exempt as long as it is actively up for sale.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

\$90 plus \$30 and 1/3 earned income disregard for four months.

\$1,500 of the value of a motor vehicle was disregarded as a resource.

No exemption for charitable contributions.

Complex rules on counting or exempting income for different tests and different periods based on source of income and full time or part time student status.

Excess averaging of non-recurring lump sum payments.

Educational income was exempt if it is paid under conditions that preclude its use for day-to-day living expenses. Other educational income was counted as income in the month of receipt.

No income deduction for child support payments made by a member of the household.

Resource standard of \$1,000 per household.

Real property is exempt for up to 9 months if actively up for sale. If not sold within that time, the property reverts to a resource.

TN No. 01-010 Approval Date _____ Effective Date _____

Supersedes TN No 99-004

- _____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.
- x The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

The waiver for the Alaska Summer Youth Employment and Training Project, that included:

allowing the State to add an additional income disregard of any payments received under the JTPA Title II-B Summer Youth Employment and Training Programs;

allowing the State to exclude from resources for AFDC any payments received under the JTPA Title II-B Summer Youth Employment and Training Programs;

allowing the State to exclude from income JTPA Title II-B Summer Youth Employment and Training Programs in determining whether the income of a family exceeds 185 percent of the State's standard of need; and

allowing the State to provide AFDC-UP benefits disregarding JTPA Title II B Summer Youth Employment and Training programs when applying the 100-hour rule or the 30-day unemployment requirement.

TN No. 01-010 Approval Date _____ Effective Date _____

Supersedes TN No new page

JAN 28 2002

**MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT**

Section 1902(f) State ☐

Non-section 1902(f) State ☒

- I. For all individuals who are eligible to receive a state supplementary payment under section 1902(a)(10)(A)(ii)(IV) of the Act, for qualified Medicare beneficiaries under section 1902(a)(10)(E) of the Act, and for working disabled individuals under section 1902(a)(10)(A)(ii)(XIII) of the Act, the following more liberal income methodology is used to determine eligibility:

Payments received from the Alaska Longevity Bonus Program are excluded entirely for qualified Medicare beneficiaries, recipients of a state supplementary payment, and working disabled individuals to the extent which the payment does not cause the total gross income to exceed 300% of the supplementary security income benefit rate as established under Section 1903(f)(4)(C) of the Act.

- II. For poverty level pregnant women, infants, and children covered under the provisions of 1902(a)(10)(A)(i)(IV), (VI), and (VIII), and 1902(a)(10)(A)(ii)(IX) of the Act; for qualified pregnant women and qualified children born after December 31, 1972 covered under the provision of sections 1902(a)(10)(A)(i)(III) and 1905(n) of the Act; and targeted low income children covered under provisions of 1902(a)(10)(A)(ii)(XIV) of the Act; the following more liberal income methodology is used to determine eligibility:

Dividend and benefit payments received from the Alaska Permanent Fund Dividend Program are excluded from consideration as income.

- III. For poverty level children covered under the provisions of sections 1902(a)(10)(A)(i)(IV), (VI), and (VII) and 1902(a)(10)(A)(ii)(IX), the following more liberal income methodology is used to determine eligibility:

An income disregard equal to 17 percent of the federal poverty guidelines for the appropriate household size is applied if the child is less than 6 years of age. An income disregard equal to 50 percent of the federal poverty guidelines for the appropriate household size is applied if the child is age six or older.

TN No. 01-010 Approval Date: _____ Effective Date: _____

Supersedes TN No. 99-008

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- IV. For poverty level pregnant women and infants covered under the provisions of 1902(a)(10)(A)(ii)(IX) and 1902(a)(10)(A)(i)(IV) of the Act and for qualified pregnant women covered under the provision of 1902(a)(10)(A)(i)(III) and 1905(n) for the Act, the following more liberal income methodology is used to determine eligibility:

An income disregard equal to 15 percent of the federal poverty guidelines for the appropriate household size is applied, which effectively brings the eligibility need standard to 200% of the federal poverty level.

- V. For working disabled individuals as defined in Section 1902(a)(10)(A)(ii)(XIII) of the Act, the following more liberal income methodology is used to determine eligibility:

All earned income of a spouse that is deemed available to the disabled individual under SSI/SSP financial methodology is excluded as income.

If the disabled individual is age 18 or older, all earned income of a family member that is deemed available to the disabled individual under SSI/SSP financial methodology is excluded as income.

- VI. For all AFDC-related eligibility groups, the following more liberal income methodology is used to determine eligibility:

- a. Diversion payments made under Alaska Statute 47.27.026 are exempt as income in both the 185% gross income test and the final income eligibility determination.
- b. Charitable contributions are exempt from countable income up to \$300 per calendar quarter.
- c. The earned income of a child who is enrolled at least half time in secondary school is totally exempt for both the 185 percent gross income test and the final income eligibility determination.
- d. Non-recurring lump sum payments are exempt as income, however, they remain a resource if retained.
- e. Educational income used for educational purposes is exempt. Unless exempt under other Federal statutes, all other educational income is prorated over the period of intended use or counted as income in the month received, whichever is to the individual's advantage.

TN No. 01-010 Approval Date: _____ Effective Date: _____

Supersedes TN No. 99-011

- f. Beginning November 1, 2001, child support payments made by a parent for or on behalf of a child living in a separate household are deducted from the countable income of that parent's household.

TN No. 01-010 Approval Date: _____ Effective Date: _____

Supersedes TN No. new page

JAN 28 2002

**MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT**

Section 1902(f) State ☐

Non-section 1902(f) State ☒

- I. For the following groups, cash distributions from Alaska Native claims Settlement Act corporations up to \$2,000 per individual per calendar year are excluded as a resource each year, are excluded indefinitely, and do not affect the exclusion of cash distributions made in subsequent years:

Individuals under 1902(a)(10)(A)(ii)(IV) of the Act to whom there is being paid, or who are eligible, or would be eligible if not in a medical institution, supplemental security income benefits under Title XVI, or a state supplementary payment.

Qualified Medicare beneficiaries under section 1902(a)(10)(E) of the Act.

Institutionalized individuals under section 1902(a)(10)(A)(ii)(V) of the Act who meet SSI resource requirements and whose income does not exceed 300% of the SSI benefit rate as established under Section 1903(f)(4)(C) of the Act.

Working disabled individuals under section 1902(a)(10)(A)(ii)(XIII) of the Act.

- II. For the following groups, dividend and benefit payments received from the Alaska Permanent Fund Dividend Program are excluded from consideration as countable resources:

For poverty level pregnant women, infants, and children covered under the provisions of 1902(a)(10)(A)(i)(IV), (VI), and (VII), and 1902(a)(10)(A)(ii)(IX) of the Act;

For qualified pregnant women and qualified children born after December 31, 1972 covered under the provision of sections 1902(a)(10)(A)(i)(III) and 1905(n) of the Act;

Targeted low income children covered under provisions of 1902(a)(10)(A)(ii)(XIV) of the Act;

TN No. 01-010 Approval Date: _____ Effective Date: _____

Supersedes TN No. 99-008

Individuals under age 21 who are covered under provisions of 1902(a)(10)(A)(ii) and described in 1905(a)(i) of the Act.

Individuals under 1902(a)(10)(A)(ii)(I) who meet the income and resource requirements of the Supplemental Security Income program;

Individuals under 1902(a)(10)(A)(ii)(IV) of the Act to whom there is being paid, or who are eligible, or would be eligible if not in a medical institution, supplemental security income benefits under Title XVI, or a state supplementary payment;

Qualified Medicare beneficiaries under section 1902(a)(10)(E) of the Act;

Institutionalized individuals under section 1902(a)(10)(A)(ii)(V) of the Act who meet SSI resource requirements and whose income does not exceed 300% of the SSI benefit rate as established under Section 1903(f)(4)(C) of the Act.

Working disabled individuals under section 1902(a)(10)(A)(ii)(XIII) of the Act.

III For all AFDC-related eligibility groups subject to resource standards, the agency uses the following methodologies:

- a. Resource standard is \$2,000 per household, \$3,000 for households that include an adult age 60 or older.
- b. When determining countable resources, the total value of a motor vehicle is disregarded if the motor vehicle is used for family transportation necessary to meet basic needs, including obtaining food, medical care, other essentials, or for transportation to or from school, work, or training. The total value of a motor vehicle is also disregarded if necessary when the vehicle is used as the family's home, to transport a disabled family member, to produce self-employment income, or for a family member to participate in a work activity approved by the Alaska Division of Public Assistance. If there are no vehicles owned that are used for the purposes stated above, the first \$1500 in equity of one motor vehicle is excluded as a resource.
- c. Real property is exempt as long as it is actively up for sale.

TN No. 01-010 Approval Date: _____ Effective Date: _____

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